

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 6, 1996

SUBJECT: **HB 2413 - SB 2812**

This bill, if enacted, will require that corporations make quarterly franchise tax payments in April, July, October, and January. Current law requires an annual franchise tax payment due by the first day of the fourth month following the close of a corporation's fiscal year.

The fiscal impact from enactment of this bill is estimated to be a one-time increase in state expenditures of \$184,000 to modify the Department of Revenue's computer system and a recurring increase in state expenditures of \$310,200 for eleven positions and related expenses for the administration of the bill.

Enactment of this bill is also estimated to result in a first-year shift in cash flow with an associated one-time increase in interest earnings to the state to the extent that franchise tax payments that have been made primarily in April will now be made throughout the fiscal year and can be invested earlier. Such one-time increase cannot be determined but is estimated to exceed \$100,000.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first name "James" being the most prominent part.

James A. Davenport, Executive Director